

# Annual Report 1980

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FACULTY OF BUSINESS ADMINISTRATION  
AND COMMERCE

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# 27th Annual Report

1980

Edmonton Savings & Credit Union Ltd.

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## Chief Executive Officer

R. J. Mowbrey, B.Comm., R.I.A.

## Auditors

Coopers & Lybrand  
5th Floor, Chancery Hall  
Edmonton, Alberta

## Solicitors

Berzins, Willemse  
2nd Floor, 8723 - 82 Avenue  
Edmonton, Alberta

## Board of Directors

K. Heise, President  
J. Sklarchuk, Vice-President  
H. Gavin, Secretary  
V. Nakonechny, Director  
K. McDonald, Director  
N. Pederson, Director  
D. Treece, Director  
P. Ryan, Director  
N. Tobey, Director

## Credit Committee

P. Ford	L. LaFontaine
S. McDonald	F. Nadon
K. Waite	J. Smith
P. Connor	G. Norris
R. Game	F. Weisse
R. Morris	G. Thomas
J. Lefebvre	G. Mancell
E. Jacobson	R. Drummond
R. Shepherd	G. Patterson
R. Smith	K. McAmmond
R. Gliener	D. Bromley
R. Bobowsky	A. Sollanych
J. Lewis	A. Morin
B. Guebert	R. Durocher
B. Wiesener	H. St. Onge
E. Kluczny	P. Hawker
W. Bie	P. Kryden
B. Dahl	E. O'Grady

## Location of Offices

### Central Office

#300, 8723 - 82 Avenue  
Edmonton, Alberta  
465-6571

### Mortgage Branch

Mezzanine, 8723 - 82 Avenue  
Edmonton, Alberta  
468-5020

### Delton Branch

12809 - 82 Street  
Edmonton, Alberta  
476-7646

### Bonnie Doon Branch

8723 - 82 Avenue  
Edmonton, Alberta  
468-6727

### Southgate Branch

11032 - 51 Avenue  
Edmonton, Alberta  
437-0131

### Meadowlark Branch

8700 Meadowlark Road  
Edmonton, Alberta  
484-7736

## Leduc Branch

5203 - 50 Street  
Leduc, Alberta  
986-2216

## Inglecroft Branch

11245 - 124 Street  
Edmonton, Alberta  
453-3866

## Sherwood Park Branch

#4, 916 Ash Street  
Sherwood Park, Alberta  
467-2241

## Westgate Branch

17010 - 90 Avenue  
Edmonton, Alberta  
483-0701

## Argyll Branch

7935 - 71 Street  
Edmonton, Alberta  
465-7506

## St. Albert Branch

11 St. Anne Street  
St. Albert, Alberta  
458-1331

## Eastgate Branch

2004 Sherwood Drive  
Sherwood Park, Alberta  
464-4711

## Legal Branch

Box 99  
Legal, Alberta  
961-3959

## Millwoods Branch

#307, 8925 - 51 Avenue  
Edmonton, Alberta  
465-9151

## Kingsway Branch

156 Kingsway Garden Mall  
Edmonton, Alberta  
479-8475

## Castledowns Branch

10807 Castledowns Road  
Edmonton, Alberta  
456-2288

## Devon Branch

P.O. Box 356  
Devon, Alberta  
987-4422



# 1980 in Review

For ESCU, the lead-off year for the decade of the 80's will easily be remembered as one of high, higher, and even higher interest rates, almost diminishing margins, and overall general restraint in operations. Keeping in mind, however, that the year 1980 does not only represent the efforts of your current Board, Management and Staff, but also those endeavours of the many who have served in their varying capacities over the past better than quarter century, your credit union nevertheless met the growing needs of the membership and saw the planned completion of a considerable number of projects.

It is in this spirit of long standing cooperation that the financial future of Edmonton Savings has been met head on, and your present Board is proud of this report on the operations for 1980.

## The Economic Climate

As an ever-growing financial, service-oriented organization, your credit union has become an integral part of the financial community in Edmonton and surrounding areas. Because of our increasing impact on this market, we are becoming less and less insulated against the rapidly

changing economic climate in Alberta, Canada and North America.

1980 has been a year of financial instability and uncertainty. In part, this can be linked to the unstable economic conditions in the United States. Rising interest rates have been a serious symptom of the American recession, and therefore a dominating influence on our own national economy.

Numerous economic 'setbacks' have occurred throughout the economy. The widespread decline in economic activity undercut the demand for Canadian products at home and abroad. A full year of precedent-setting interest rates, pressures on margins and uncertainty in the economy have created a difficult financial climate. In fact, 1980 has been a year of investment decision postponements: as the cost of money soared, businesses shelved expansion plans and consumers deferred many of their major purchases.

Further, the election of a new Federal Government in April brought in a policy of a floating prime lending rate, resulting in unprecedented weekly fluctuations. This situation made it increasingly difficult to maintain an adequate

operating margin as a large portion of our loan portfolio was developed on lower fixed interest rates, while the interest paid on investments with the credit union had to increase as the prime rate rose.

Also, throughout 1980, mortgages were limited. As members were investing short, it became more difficult to lend money at the committed rates for the longer terms that you, as members, were seeking.

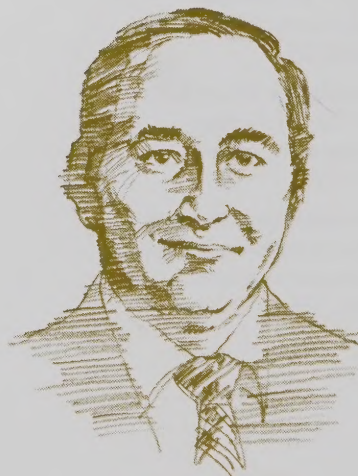
## Meeting the Challenges

Despite the many financial difficulties encountered in 1980, Edmonton Savings came near to breaking even operationally this fiscal year. This was primarily due to the money held in statutory reserves. This contingency reserve had been bolstered significantly beyond the necessary funds required to meet the demands of a financial year such as 1980. The 1.1 million dollars in reserve made it possible to provide a necessary \$600,000 to operations. This type of far-sighted planning by your credit union made it possible to deal effectively with the problems such a year can pose.

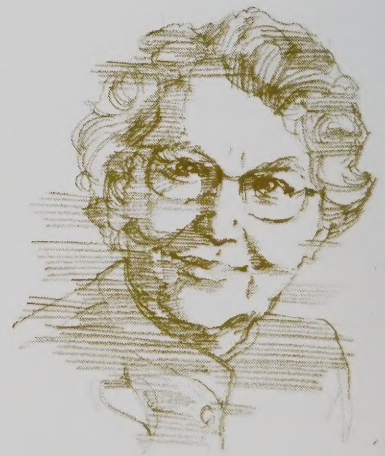
Although our reserves are considered adequate, it became apparent that steps had to be taken to avert such



Kurt Heise  
President



Jim Sklarchuk  
Vice-President



Helena Gavin  
Secretary

1980 Board of Directors



problem situations in the years ahead.

To meet the challenges of our financial future, several positive measures have been taken.

1) Prime Plus Lending: A large portion of our loan portfolio has been moved to the interest rates pegged to the Credit Union of Alberta prime rate. This allows the income on loans to remain better matched with the expense of members' investments; both moving as the prime rate does. By pegging the interest rate to the prime rate, the interest risk shifts from the organization to the borrower. When the rate is higher the borrower absorbs the extra expense but benefits when rates drop by not being locked in at those higher rates.

2) Shorter Term Mortgages: It is expected that Edmonton Savings will follow the lead of other financial institutions in making the terms on mortgages for shorter periods of time thereby making it possible to adjust these commitments more frequently. In essence, this lending policy guarantees an adequate operating margin regardless of the changes in the prime rate.

It is anticipated that the current unstable financial conditions, high

interest rates and expenses will continue next year. For this reason, Edmonton Savings is planning now to meet the many challenges that 1981 will pose.

### **The Facilities and Growth**

With the required lead times running as much as two to three years in advance, several previously planned projects came to scheduled completion in the 1980 fiscal year. Even though the economic climate did not encourage growth, the overall future benefit resulting from this expansion should counter-balance the extremely short-term negative impact thus created.

To meet the growing needs of the membership, the planned move of the Bonnie Doon Branch and the Central Office to the new complex was successfully completed in the summer. The Southgate Branch, which had long been in desperate need of additional space, was expanded this year when the additional space for the renovations became available. And, with the lease at Leduc coming due, this year was also the most opportune time for our move there.

In general, our current plans for expansion are quite limited. In

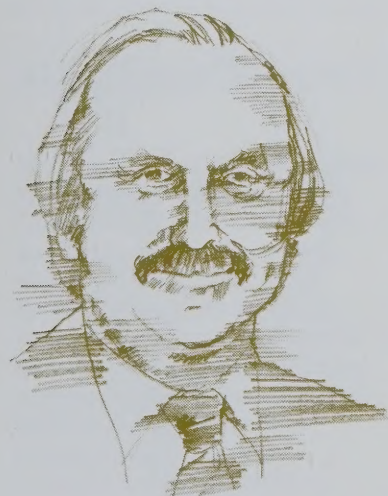
keeping with past policy, a branch will open in the new Edmonton Co-operative Association Mall in Castledowns sometime in the spring of 1981. The potential of this branch, as with all branches located in Co-op Malls, is great and we look forward to its success.

While we had previously announced our intentions to move into the Beverly Co-op Mall, and the Co-op Association showed significant interest in a branch location, serious problems have since been encountered with the Bank of Montreal regarding an exclusive lease arrangement. Plans for expansion to this location have been delayed pending a solution.

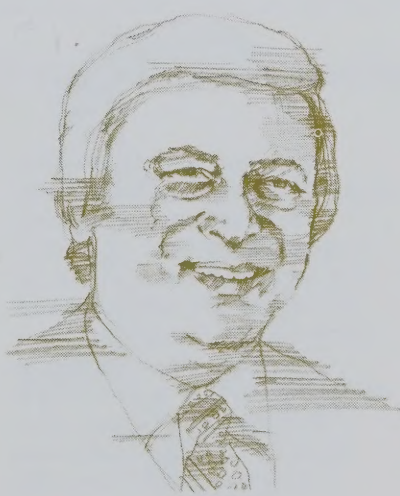
In the immediate future, we are faced with a serious shortage of space at our Sherwood Park Branch on Ash Street. Several avenues are being explored currently, and we are confident that expansion plans can be undertaken in the spring of 1981.

### **Computer Services**

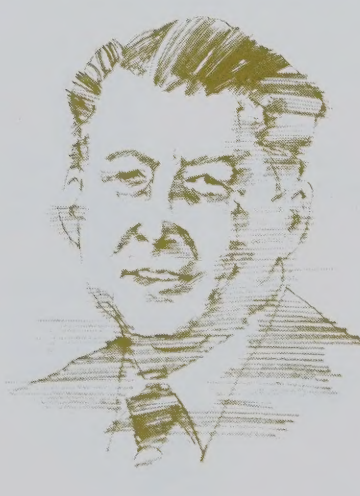
The introduction of our Automatic Teller CUE\* Centres has greatly increased the accessibility of accounts to our members and will allow for the introduction of many innovative systems designed to simplify our



**Ken McDonald**



**Victor Nakonechny**



**Norm Pederson**



service. When our branch offices are closed, members can use the CUE\* Centres to deposit and withdraw their money, to gain access to their accounts, make loan payments and pay their utility bills.

Now, with a total of six CUE\* Centres in operation, we are planning to incorporate automatic tellers at both the Leduc and Southgate branches.

A future tie-in with our Mastercard system and an interprovincial link will provide even faster and more efficient service to our membership.

Overall, the ATMs have provided an extended period of service and increased transaction speeds . . . services many of our members are finding extremely useful.

### **Member Involvement**

The credit union philosophy is based on member-ownership of the organization. For this reason, it is increasingly important that the members of Edmonton Savings have the opportunity to become involved with the credit union beyond the Annual Meeting.

Member-volunteers, who are residents of the areas we serve, comprise Credit Committees to

review loan applications taken at the branch level. Our low delinquency rate is a direct result of their dedication to thorough review.

Members are provided with opportunities to meet the Board of Directors and Management on an informal basis throughout the year. In 1980, members attended free Educational Seminars dealing with important financial matters including Wills and Estates, Income Taxes, Budgeting and Insurance.

The social aspect of the credit union is one that many members participated in this past year. The Annual Red Barn Dinner and Dance was again a huge success, as were the many Open Houses including the special ceremonies commemorating the opening of the new Central Office Complex.

### **The Staff**

The mark of any successful service industry is the personnel who strive to provide efficient, courteous and knowledgeable service. At Edmonton Savings & Credit Union, our staff's training, environment and quality of work life are major priorities for 1981.

Our personnel department has been

expanded to better meet the coming challenges of our growing membership. It is our present policy to train all staff members at the Central Office Training Room before they are sent out to the branches. Present employees are also exposed to regular upgraded training and review, to ensure that the quality of service is constantly at a maximum.

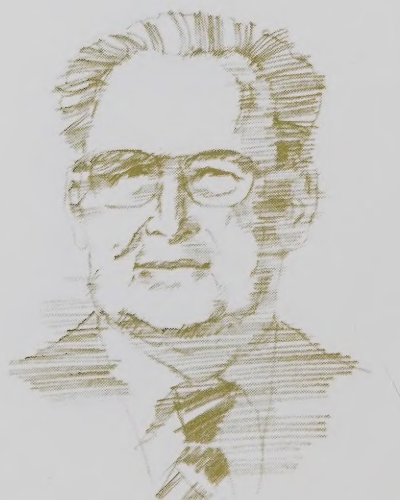
It will also become policy to institute cross-training in order to thoroughly prepare employees to move into other positions as vacancies occur.

As our most valuable resource, our personnel are the key to maintaining a standard of excellence in the area of service, and our training programs must be geared to providing the most up-to-date and relevant information available.

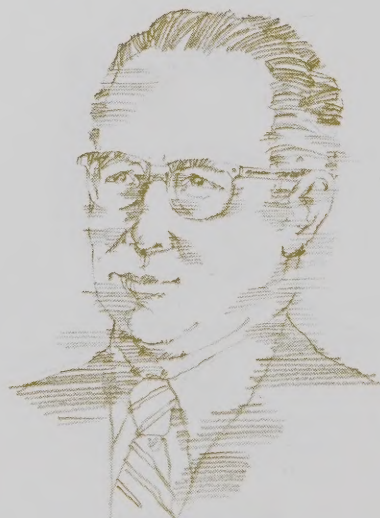
### **Democratic Control**

Within the financial community, credit unions hold a unique position, due to the philosophy of 'member-ownership'. You as members of Edmonton Savings, directly own the organization and it is through our united efforts that ESCU became and remains a truly successful financial institution.

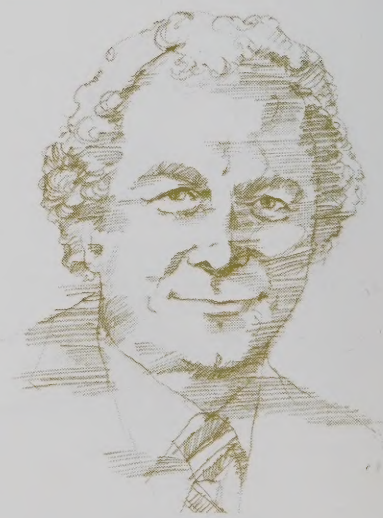
As the credit union grows, it



**Pat Ryan**



**E. S. (Ned) Tobey**



**Dave Treece**



# Auditors' Report

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becomes increasingly difficult to maintain the reality of 'member control'. For this reason, our policy is to ensure that the theory of democratic control is an active reality.

This year a new method of branch balloting to elect the members of the Board of Directors was developed. The new system will effectively allow for a broader base of members to participate in the elections than is currently possible at an Annual Meeting. With a favorable decision at the spring sitting of the Provincial Legislature, this new voting system will be in operation for the 1982 election.

By affording the entire membership the valuable opportunity to elect their Board Members, Edmonton Savings is taking a positive step toward ensuring that democratic control of the credit union is continued in the face of considerable membership growth. In this way the credit union philosophy of shared responsibility and benefit will be furthered into the 1980's.

## **The Future**

1981, and the years to follow, hold many exciting and challenging

possibilities for Edmonton Savings.

Our new Mastercard system, although delayed, is expected to offer members many exciting services and we are anticipating a major success in this innovative area. The possibility of developing Mastercard into a transaction/debit card, providing direct access to your account with payment to the merchant and dual use with the CUE\* Centre Automatic Tellers, is currently being explored.

The National Credit Union system is also investigating the possibility of a leasing service, primarily for cars and vehicles, to be instituted sometime in the coming year.

## **Conclusion**

In retrospect, the year 1980 will no doubt be remembered as the year of the drastic margin squeeze. During this year of prudent restraint, your credit union shouldered its responsibilities in a capable and positive manner. Despite the adverse market conditions ESCU remains strong and is thoroughly prepared to meet the challenges of our future.

Our strength, of course, lies in the cooperation and dedication of our constantly expanding and loyal

membership, our Board of Directors, and our courteous and diligent staff. This concerted and ongoing effort enables us to provide the varied services and to meet the fundamental commitments of the credit union to each and every member.

Finally, the Board extends a warm and appreciative 'thank you' to all our members, our management and staff, for their support and participation over the past year.

It is this united effort of members, volunteers and staff which guarantees a strong future for ESCU in the years ahead. Your credit union shall continue to grow, expand and improve; enabling all of us to add significantly to the quality of our lives.



**Kurt Heise,  
President,  
on behalf of  
the Board of Directors**

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## **AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the balance sheet of Edmonton Savings and Credit Union Ltd. as at October 31, 1980 and the statements of operations, earned savings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at October 31, 1980 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of accounting for accrued interest on delinquent loans as explained in

Note 2 to the financial statements, on a basis consistent with that of the preceding period.

**COOPERS & LYBRAND  
Chartered Accountants  
December 1, 1980**

# Statement of Operations

For the year ended October 31, 1980

	1980 (12 months)	1979 (10 months) (Restated)
Income from operations		
Interest .....	\$ 31,735,040	\$ 20,485,434
Investment income .....	3,047,540	2,291,948
Service charges and appraisal fees .....	490,938	297,249
Other .....	291,322	197,744
Gain (loss) on sale of fixed assets .....	147,838	(6,276)
	<u>35,712,678</u>	<u>23,266,099</u>
Financial expense		
Interest paid to members .....	23,873,236	14,335,034
Interest and bank charges .....	4,646,335	2,983,391
	<u>28,519,571</u>	<u>17,318,425</u>
Income after financial expense .....	<u>7,193,107</u>	<u>5,947,674</u>
Expenses		
Salary and employee costs .....	3,419,362	2,470,713
Administrative .....	2,648,464	1,850,219
Stabilization assessment .....	686,332	489,904
Share and loan insurance .....	106,730	151,893
Provision for depreciation .....	120,638	84,418
Provision for doubtful accounts .....	—	25,130
	<u>6,981,526</u>	<u>5,072,277</u>
Savings before income taxes and extraordinary item .....	<u>211,581</u>	<u>875,397</u>
Provision for income taxes		
Current (recovery) .....	—	(109,000)
Deferred (recovery) .....	(50,600)	221,000
	<u>(50,600)</u>	<u>112,000</u>
Savings before extraordinary item .....	<u>262,181</u>	<u>763,397</u>
Extraordinary item		
Gain on sale of building, net of deferred income taxes of \$76,000 .....	—	753,512
Net savings	<u>\$ 262,181</u>	<u>\$ 1,516,909</u>



# Statement of Earned Savings

For the year ended October 31, 1980

## GUARANTEE RESERVE

Balance at beginning of period .....	\$ 3,177,798	\$ 2,738,130
Add:		
Bad debts recovered .....	8,769	12,659
Allocation from undistributed earnings .....	630,044	473,245
	<u>3,816,611</u>	<u>3,224,034</u>
Deduct:		
Loans written off .....	58,301	46,236
Balance at end of period .....	<u>\$ 3,758,310</u>	<u>\$ 3,177,798</u>

## PLANNING RESERVE

Balance at beginning of period .....	\$ 1,100,000	\$ 600,000
Allocation (to) from undistributed earnings .....	(600,000)	500,000
Balance at end of period .....	<u>\$ 500,000</u>	<u>\$ 1,100,000</u>

## UNDISTRIBUTED EARNINGS

Balance at beginning of period .....	\$ 97,901	\$ 5,955
Add:		
Adjustment arising from change in accounting policy — Note 2 .....	135,804	—
As restated .....	233,705	5,955
Add:		
Net savings for the period .....	262,181	1,516,909
	<u>495,886</u>	<u>1,522,864</u>
Deduct:		
Transfer to guarantee reserve .....	630,044	473,245
Transfer (from) to planning reserve .....	(600,000)	500,000
Dividend allocation — current period .....	369,591	315,914
	<u>399,635</u>	<u>1,289,159</u>
Balance at end of period .....	<u>\$ 96,251</u>	<u>\$ 233,705</u>

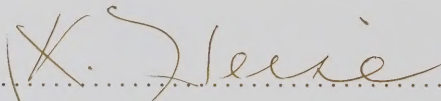


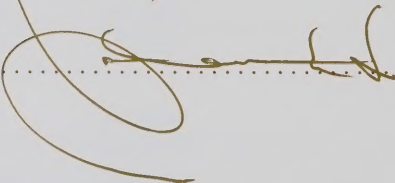
# Balance Sheet

October 31, 1980

	1980	1979 (Restated)
<b>ASSETS</b>		
Cash .....	\$ 6,969,166	\$ 3,066,845
Loans to members, less allowance for doubtful accounts .....	254,775,920	229,261,952
Accounts receivable and prepaid expenses .....	151,522	78,304
Income taxes recoverable .....	108,373	219,737
Receivable from Credit Union Central Stabilization Fund .....	—	41,073
Investments — at cost — Note 3 .....	29,805,081	29,073,949
Other investments — at cost		
Shares and debentures .....	88,104	67,272
Fixed assets — Note 4 .....	9,298,334	4,882,187

## SIGNED ON BEHALF OF THE BOARD

.....  Director

.....  Director

<b>\$301,196,500</b>	<b>\$266,691,319</b>
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	<b>1980</b>	1979 <u>(Restated)</u>
<b>LIABILITIES</b>		
Accounts payable .....	\$ 136,255	\$ 296,374
Payable to Credit Union Stabilization Corporation .....	176,723	94,506
Loans payable — Note 5 .....	25,889,676	35,122,760
Trust funds under administration — Note 6 .....	230,681	97,294
Deposits — Note 7 .....	50,270,124	37,166,170
Deposit accounts withdrawable on demand .....	107,863,550	85,421,400
Term deposits .....	105,086,828	96,250,102
Deferred income taxes — Note 8 .....	984,550	1,035,151
	<u>290,638,387</u>	<u>255,483,757</u>
<b>CAPITAL, RESERVES AND UNDISTRIBUTED EARNINGS</b>		
Capital		
Shares .....	6,203,552	6,696,059
Guarantee reserve .....	3,758,310	3,177,798
Planning reserve .....	500,000	1,100,000
Undistributed earnings .....	96,251	233,705
	<u>10,558,113</u>	<u>11,207,562</u>
	<u>\$301,196,500</u>	<u>\$266,691,319</u>



# Notes to Financial Statements

For the year ended October 31, 1980

## 1. Accounting Policy

### Fixed Assets

The credit union records fixed assets at cost. These assets are depreciated over their estimated useful lives on the straight-line basis, at the following rates:

Brick buildings	3.3%
Frame buildings	5%
Security equipment	5%
Furniture	10%
Automotive equipment	30%
Leasehold improvements	Term of lease

## 2. Change in Accounting Policy

During the year, the credit union changed its method of accounting for accrued interest on delinquent loans. Accrued interest on delinquent loans is now recorded to the extent that it is considered to be collectible. The change in method of accounting has been applied retroactively and the comparative figures for the period ended October 31, 1979 have been restated to reflect this. Net savings for 1979 have been increased by \$135,804 net of \$34,000 of deferred income taxes.

## 3. Investments

	1980	1979
Credit Union Central including accrued interest	\$ 29,805,081	\$ 28,573,943
Other credit unions	—	500,006
	<u>\$ 29,805,081</u>	<u>\$ 29,073,949</u>

Investments in the Credit Union Central and other credit unions are held to provide the liquidity reserve and guarantee reserve as required by the Credit Union Act. At October 31, 1980, the investments were \$544,561 below that required by the Credit Union Act.

## 4. Fixed Assets

Details of fixed assets are as follows:

	Cost	Accumulated Depreciation	1980 Net	1979 Net
Land	\$ 1,741,740	—	1,741,740	1,438,207
Buildings	6,259,948	287,162	5,972,786	2,420,069
Furniture and equipment	1,546,742	289,467	1,257,275	774,871
Leasehold improvements	393,425	123,655	269,770	220,290
Automotive	80,655	23,892	56,763	28,750
	<u>\$ 10,022,510</u>	<u>724,176</u>	<u>9,298,334</u>	<u>4,882,187</u>

## 5. Loans Payable

A general assignment of book debts has been assigned as collateral for loans payable.

## 6. Trust Funds under Administration

The credit union has trust funds under administration for the Co-op Superannuation Society and the Saskatchewan Wheat Pool. The credit union has a liability to the above for monies not yet invested on their behalf.

	1980	1979
Trust funds under administration	\$ 4,633,628	\$ 5,140,005
Trust funds invested	<u>4,402,947</u>	<u>5,042,711</u>
Trust funds not invested	<u>\$ 230,681</u>	<u>\$ 97,294</u>

## 7. Deposits

Co-operative Trust Company of Canada has invested funds in the credit union, which represent registered retirement savings plans and registered home ownership savings plans belonging to the credit union's members. When these plans are terminated by the members, the funds invested are repaid to the members.

## 8. Deferred Income Taxes

The company accounts for income taxes on the tax allocation basis. Deferred income taxes are recorded when income taxes actually payable in respect of a year are reduced because of differences between the time certain items of revenue and expense are reported in the accounts and the time they are reported for income tax purposes.

## 9. Related Party Transactions

Loans and deposits by members of the board of directors and senior management constitute .31% and .18% respectively of total credit union loans and deposits. The terms of these loans and deposits are consistent with those offered to other members.

## 10. Leases

The future minimum lease payments under operating leases are as follows:

1981	\$ 330,700
1982	331,300
1983	356,000
1984	340,900
1985	324,300
	<u>\$ 1,683,200</u>



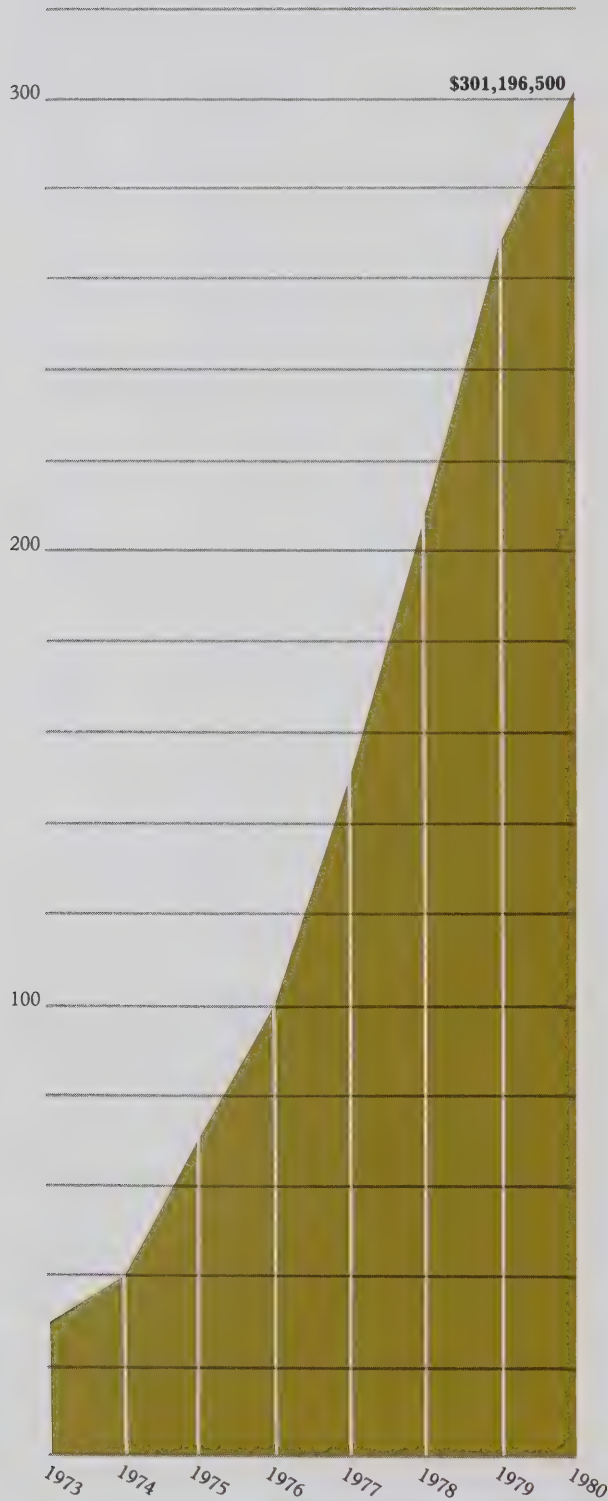
# Statement of Changes in Financial Position

For the year ended October 31, 1980

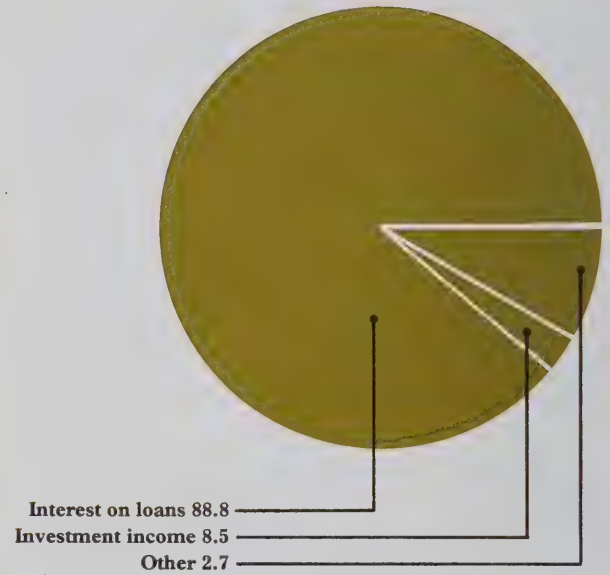
	1980 (12 months)	1979 (10 months) (Restated)
Source of cash		
Operations	\$ 334,196	\$ 1,082,938
Increase in members' deposits	22,442,150	13,463,697
Increase in deposits	13,103,954	11,219,525
Increase in term deposits	8,836,726	7,869,254
Increase in other bank loans	6,000,000	2,000,000
Proceeds on sale of fixed assets	304,845	1,543,601
Increase in trust funds	133,387	36,223
Decrease in income taxes recoverable	111,364	—
Increase in Credit Union Stabilization Corporation payable	82,217	—
Decrease in Credit Union Central Stabilization Fund	41,073	41,073
Increase in Credit Union Central loan	—	10,132,716
Proceeds on sale of joint venture	—	470,757
Decrease in accounts receivable	—	270,943
Increase in accounts payable	—	217,329
Shares issued	—	112,409
Decrease in other investments	—	25,688
	<b>51,389,912</b>	<b>48,486,153</b>
Use of cash		
Loans to members	25,513,968	46,022,743
Decrease in Credit Union Central loans	15,233,084	—
Purchase of fixed assets	4,843,608	1,858,508
Purchase of Credit Union Central Investments	731,132	4,574,212
Shares issued	492,507	—
Dividends paid	369,591	315,914
Decrease in accounts payable	160,119	—
Increase in accounts receivable	73,218	—
Loans written off (net)	49,532	33,577
Purchase of other investments	20,832	—
Decrease in Credit Union Stabilization Corporation payable	—	464,304
Increase in income taxes recoverable	—	219,737
	<b>47,487,591</b>	<b>53,488,995</b>
Increase (decrease) in cash	<b>3,902,321</b>	<b>(5,002,842)</b>
Cash at beginning of period	<b>3,066,845</b>	<b>8,069,687</b>
Cash at end of period	<b>\$ 6,969,166</b>	<b>\$ 3,066,845</b>

# Total Assets of ESCU: Income & Expenditures

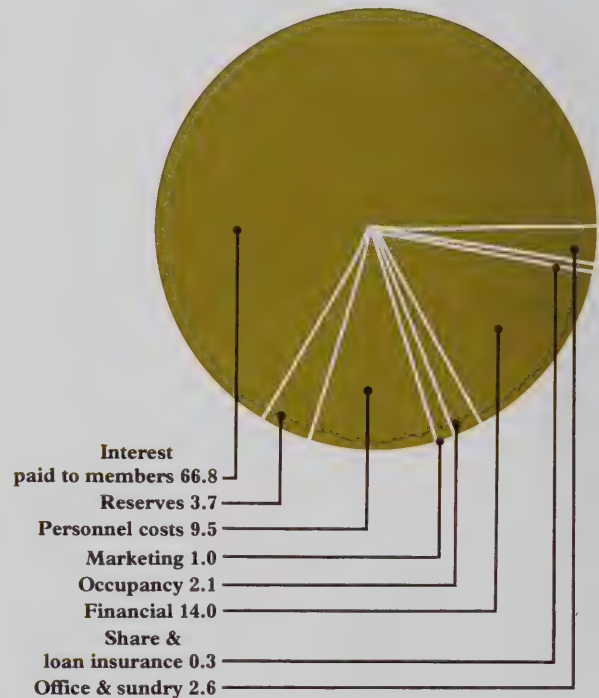
**Total Assets**  
yearly growth  
(millions of dollars)



**Income**  
where the money came from  
(percentages)



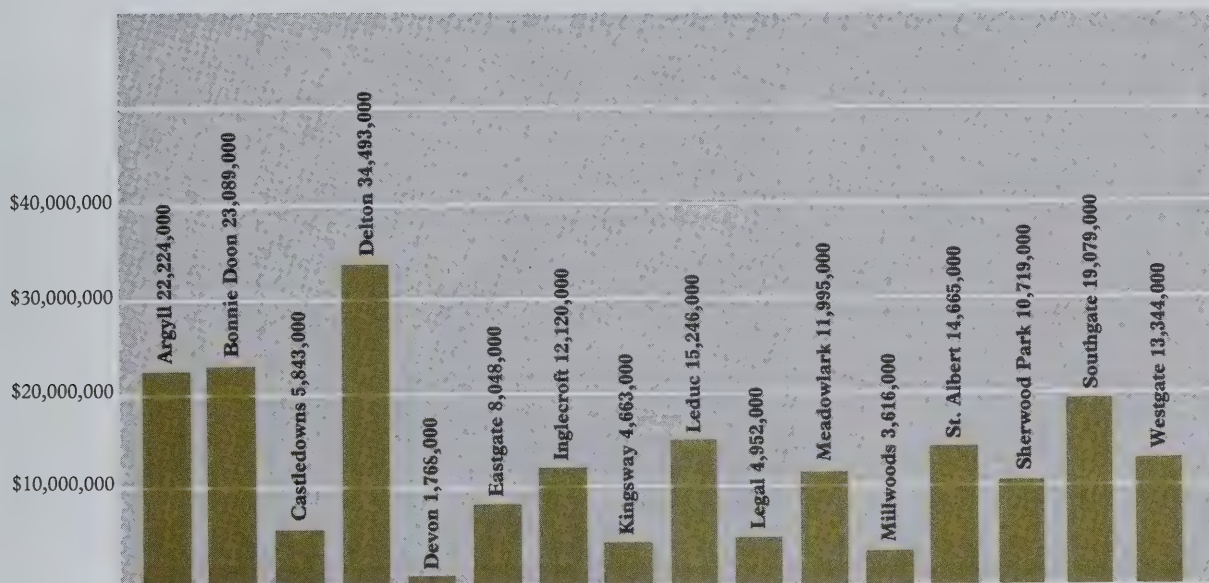
**Expenditures**  
where the money went  
(percentages)





# Assets per Branch & Membership

**Assets**



**Membership**



# Meeting the Challenges of the Future

Edmonton Savings & Credit Union has a long and proud history of expansion with purpose. Service by service, branch by branch, each element of growth has been carefully calculated to provide the unique credit union option to an ever-increasing number of Albertans.

As this spirit of cooperation continues to grow, so too do the opportunities for a solid financial future, for each member and for the credit union as a whole. This philosophy of shared responsibility and mutual benefit has been the strength of Edmonton Savings since its beginning. It will be this strength that will allow us to move confidently forward in the 80's, meeting the challenges of the future.

Edmonton Savings' success has been due largely to an ongoing ability to change with the needs of our members. Positive, purposeful growth allows ESCU to boast of successfully meeting the needs and lifestyle requirements of our members for over twenty-seven years.

In 1900 a cooperative institution was first undertaken in Levis, Quebec, designed to supply and sustain necessary credit through collective savings. Fifty-three years later, this same philosophy was used to create your credit union.

The credit union's first organizational meeting was held in August, 1953 at the Alberta Avenue Community Hall. At this meeting, eighteen people deposited a total of \$132.50 to Share Savings, and were the charter members of Edmonton



Co-Op Store Savings & Credit Union Ltd. With only volunteer help, the small membership began to grow.

To serve the growing needs of the credit union, the Board of Directors was increased to its present number of nine members in November 1954, and the first full-time paid employee, R. J.

(Bob) Mowbrey was chosen Secretary-Treasurer in October of 1961.

Shortly afterward, chequing accounts were added to Share Savings and loans, and one year later the first million dollars in assets was achieved.

The German-Canadian Co-Op



Credit Union amalgamated with your credit union leading to the opening of a sub-branch on the south side in January, 1963. This was the beginning of the Bonnie Doon branch.

1964 saw the addition of money orders, travellers cheques, mortgage loans and term deposits to the list of services offered to our members. In July of that same year, office space was rented in the Co-Op Store basement and property was purchased north of the Co-Op Store, on 82nd Street. Less than a year later, Edmonton Co-Op Store Savings and Credit Union was the largest credit union in Alberta.

Edmonton Savings & Credit Union Ltd. became the official name of your credit union in January, 1966, changing the bond of membership to include all residents in the Edmonton area.

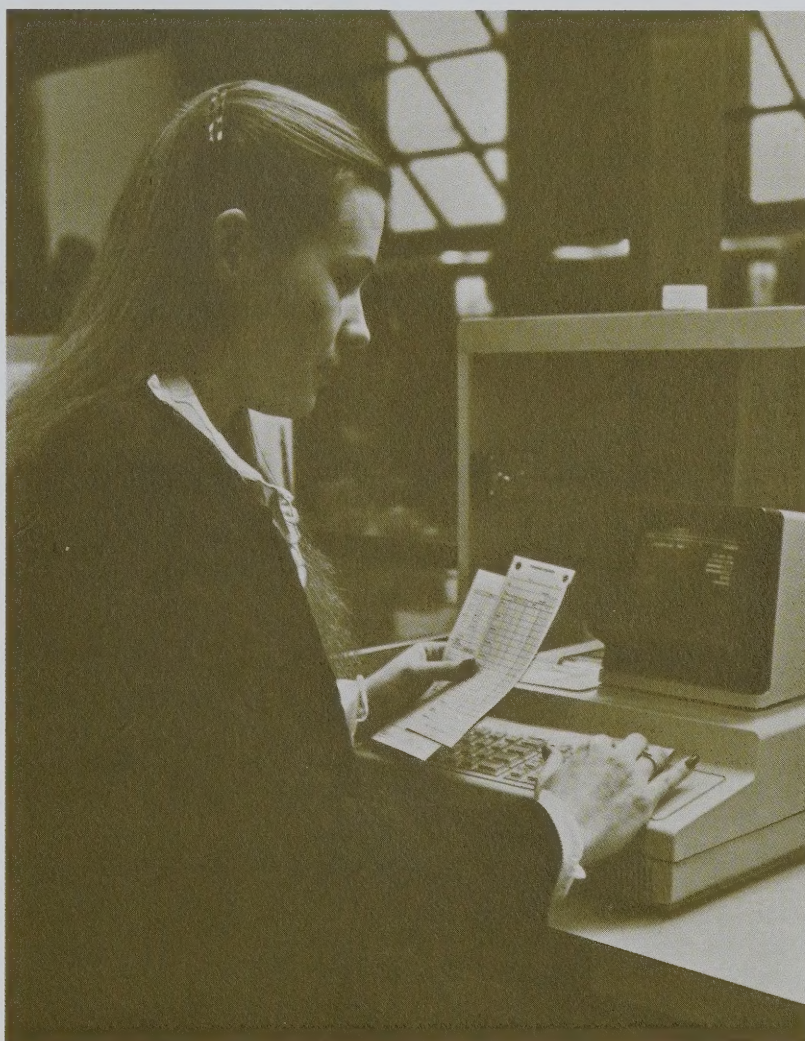
The south side office was moved to leased premises in the Bonnie Doon Annex in September, 1967. A third branch opened near Southgate in 1969, and the following year new branches were established in Meadowlark and Leduc. In 1971, our second fully-owned building opened, serving our Inglecroft members and housing the central office staff. Throughout the next few years, the membership expanded considerably and several new branches were opened to serve their growing needs.

It became apparent that the members' needs were again changing, requiring a promise to members of a full service package which began with computer accounting at all branches. From this service grew Plan 24, our

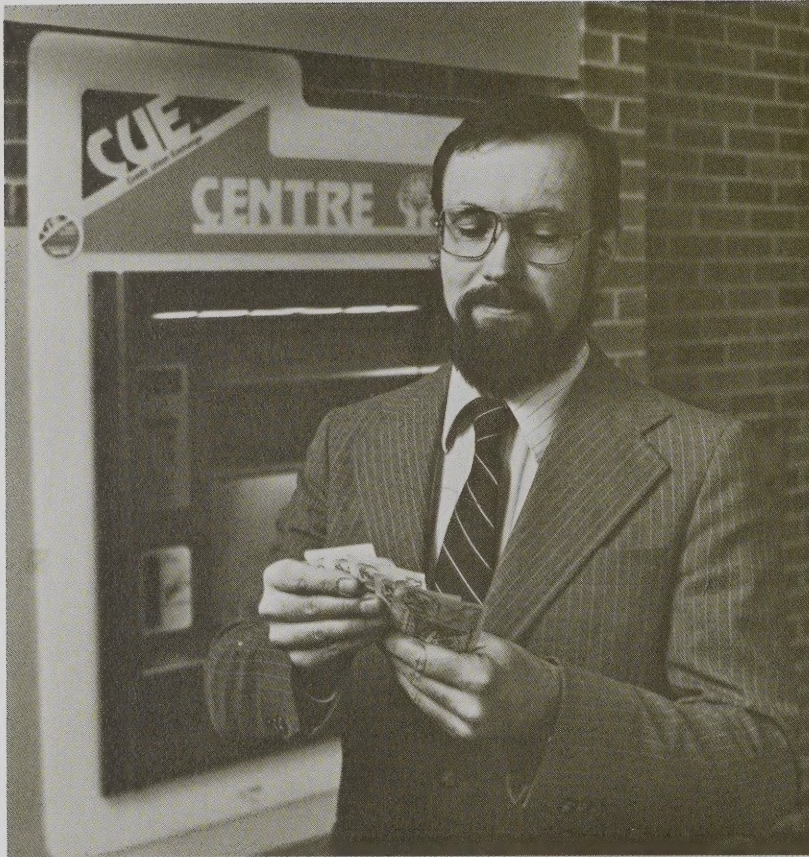
daily interest savings plan. Registered Retirement Savings Plans and Registered Home Ownership Savings Plans were then added to the growing list of services available. In 1975 a separate mortgage branch was established in the Golden Building, which then housed the Bonnie Doon branch and the Central Office Staff.

As the membership continued to grow, so too did the possibilities for an even greater variety of services. Branch Information

Meetings allowed members to discuss the progress of their particular branch of the credit union, while becoming better acquainted with their Board Members and Management. A Law Information Service was developed to provide members with access to often vital legal information. The Blue Chip Savings Plan, extended hours including Saturday morning, the Penny Pushers Club for children and regular seminars dealing with financial matters have all been welcome additions to the financial







package offered by Edmonton Savings.

In August of 1978, Edmonton Savings requested rezoning of the property that is now the site of the Central Office Complex, housing the Bonnie Doon Branch, Central Office staff and Mortgage Branch. Construction began in 1979 and came to completion in the summer of 1980. The future home of the Mastercard office, Central Cheque Filing, Staff Training and special areas designated for management of R.R.S.P.s, R.H.O.S.P.s, loans, personnel, and marketing are also included in the new Central Office Complex.

1979 also saw the introduction of

our Automatic Teller CUE\* Centres. Now located in six branches, CUE\* Centres are an invaluable component of the full service enjoyed by our members.

Today, Edmonton Savings & Credit Union is a full service financial operation with 17 branches and two more planned for the near future. With a membership reaching over 60,000 ESCU is now the largest credit union in Alberta and fifth largest in Canada.

Throughout the past twenty-seven years, Edmonton Savings has remained dedicated to the philosophy of growth with purpose, of serving the needs of our ever-expanding membership by changing and moving forward

in a positive manner. That philosophy, which has been so successful in the past, will be continued in the years of challenge to come.

Accepting and meeting the challenges that constantly change the face of our financial community is a responsibility that will remain with the Board of Directors and Management of your credit union. Through a continued unified effort, and thoughtful, realistic planning, we may all look forward hopefully to meeting the challenges of the future, together.





